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PRIVATE PROPERTY LOSS CLAIMS

In two recent decisions, the Headquarters Board of Survey found it necessary to recommend that the approving authority disapprove an employee's claim for loss of his personal and household effects ^{by} ~~due to~~ fire. The losses suffered by these employees were more severe ^{because of} ~~due to~~ the lack of insurance coverage. ~~and~~ and Organization policy for honoring claims ~~and~~ the circumstances of these disapproved claims are summarized ~~here so that~~ here ~~that Organization personnel may be reminded of~~ ^{to} the necessity for making appropriate insurance arrangements to protect their private property.

As a general rule, civilian departments and organizations have no statutory authority to pay claims for damage or loss of private property. Insurance coverage is the personal responsibility of the individual employees, at their personal expense, if they desire protection against loss. Accordingly, employees of this Organization, [REDACTED] should insure their privately owned property against the risk of loss or damage while in transit, storage, quarters, or other authorized places and situations, if they do not wish to personally accept that risk. The Organization does not provide insurance for such purposes and the fact that the Organization provides services and arrangements, and sometimes accepts custody, for storage, etc. does not mean that the Organization accepts total responsibility for the property.

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In accordance with the provisions of ^{Ran} ~~Regu~~ ~~special operational~~ 25X1A
claims may be submitted to the Organization on account of the loss, damage, de-
struction, capture, or abandonment of privately owned property, which occurred
without negligence on the part of the owner. These ~~special~~ claims will be honored
when ^{determine that} ~~special~~ operational circumstances or security factors directly related to
Organization service, in the judgment of the reviewing authorities ~~may special~~
~~consideration and~~ justify reimbursement from Confidential Funds.

~~2~~ In the absence of insurance coverage, a claim will not be honored
unless (1) security, cover, or extenuating circumstances precluded proper insurance
coverage, or (2) negligence on the part of the Organization is determined ^{to be} the
principal cause of loss, or (3) the loss is a direct result of performance of
operational duty, sensitive circumstances, or other extraordinary reasons which

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merit special consideration.

by the Organization
~~If~~ If the property was insured, a claim will be honored if security or cover considerations preclude reimbursement by ~~an~~ ^{the} insurer ~~and/or otherwise~~ ^{such as} by another liable entity ^{or} commercial carrier, storage contractor, ~~or~~


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In the first disapproved claim, an employee was transferred PCS overseas and the Organization provided services to the employee in arranging for pick-up and storage of his property by a commercial storage company, at Organization expense. ^{stated that he} The employee failed to insure because ~~he indicated that~~ he was not cognizant of that personal responsibility. He mistakenly assumed that the Organization was accepting total responsibility for the property and would do whatever was necessary in regard to insurance. Some time later, the storage contractor's warehouse was destroyed by fire. The contractor denied negligence and disclaimed responsibility for the loss of the employee's property (worth several thousand dollars) because the fire was probably attributable to a boy arsonist. The original claim and appeal were denied by the Organization because (1) there was no Organization responsibility for the property or loss thereof, and (2) the claimant was not precluded by security ^{or} cover considerations from seeking relief by contesting the contractor's denial through legal action, or by claiming against a private insurer, and (3) the claimant failed to carry insurance.

In the other disapproved claim, the Organization reimbursed the employee for rental of a private local residence which he leased near his overseas post, and

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the Organization provided heaters for his benefit, ~~and custody~~. A fire destroyed the residence and all of the employee's clothing and household effects valued at several thousand dollars. The exact cause of the fire was not definitely established, but the local fire department reported that the most likely cause ~~was~~ ^a possibly ^a defective heater. Although the ^{Claims} Board was not unmindful of the magnitude and circumstances of this loss, it was necessary to disapprove the claim because;

25X1A (1) The Organization had no custodial responsibility for the property and no maintenance responsibility for the heaters or quarters, even though the premises ~~were~~ ^{were} ~~fell within the definition of~~ "government quarters" provided under authority of  There was no evidence to indicate that the heaters were defective when issued.

25X1A (2) The claimant failed to carry insurance. The circumstances of his cover would not have precluded his making a claim against a private insurer.

(3) The loss was not related to security ^{or} cover factors of Organization service. 